

To: CAO for the Electoral Area Services Committee

Date: 2019-03-12

From: Graham Daneluz, Deputy Director of Planning & Development File No: 3015-20-2016-05

Subject: Non-Farm Use Application - Bulk Water Filling Station, 56555 Chilliwack Lk Rd, Area "E" (Larson Farm)

RECOMMENDATION

THAT the Fraser Valley Regional District Board decline to forward to the Agricultural Land Commission Non-Farm Use Application 3015-20-2016-05 by Larson Farms Inc. for a bulk water filling station at 56555 Chilliwack Lake Road, Electoral Area "E";

AND THAT the Corporate Report dated 2019-03-12 regarding the proposed bulk water filling station at 56555 Chilliwack Lake Road be forwarded to the Ministry of Forests, Lands, Natural Resource Operations & Rural Development for consideration in conjunction with the application by Larson Farms Inc. for a groundwater license.

STRATEGIC AREA(S) OF FOCUS

Provide Responsive & Effective Public Services

PRIORITIES

Priority #2 Air & Water Quality

BACKGROUND

Larson Farms Inc. (Wilf Krickhan) is proposing to establish a bulk water filling station at 56555 Chilliwack Lake Road, Electoral Area E. The land is within the Agricultural Land Reserve (ALR) and bulk water filling stations are not considered to be a farm use by the Agricultural Land Commission (ALC). As a result, Larson Farms Inc. has applied for a Non-Farm Use within the ALR to facilitate the development.

The application was initially made in August 2016 for a water bottling facility. The FVRD Board considered the application in October 2016 and passed the following resolution:

THAT the Fraser Valley Regional District Board require that a public information meeting be held prior to consideration for Agricultural Land Reserve (ALR) Non-Farm use application 2016-05 for a proposed water bottling plant at 56555 Chilliwack Lake Road, Electoral Area E;

AND THAT the cost for the public information meeting be paid by the applicant;

AND FINALLY THAT the Fraser Valley Regional District Board reconsider ALR Non-Farm Use application 2016-05 after the completion of a public information meeting.

In August 2018, the applicant decided not to pursue a water bottling facility and revised the application to address a bulk water filling station only. The revised application was presented by the proponent at the January 2019 meeting of the Electoral Area Services Committee. The

application and the presentation slides shown to the Committee in January are included here as Appendix 1.

The subject property is 66.70 hectares. Formally there was a tree farm nursery on the subject property. The direct adjacent lands to the subject property are Crown land.

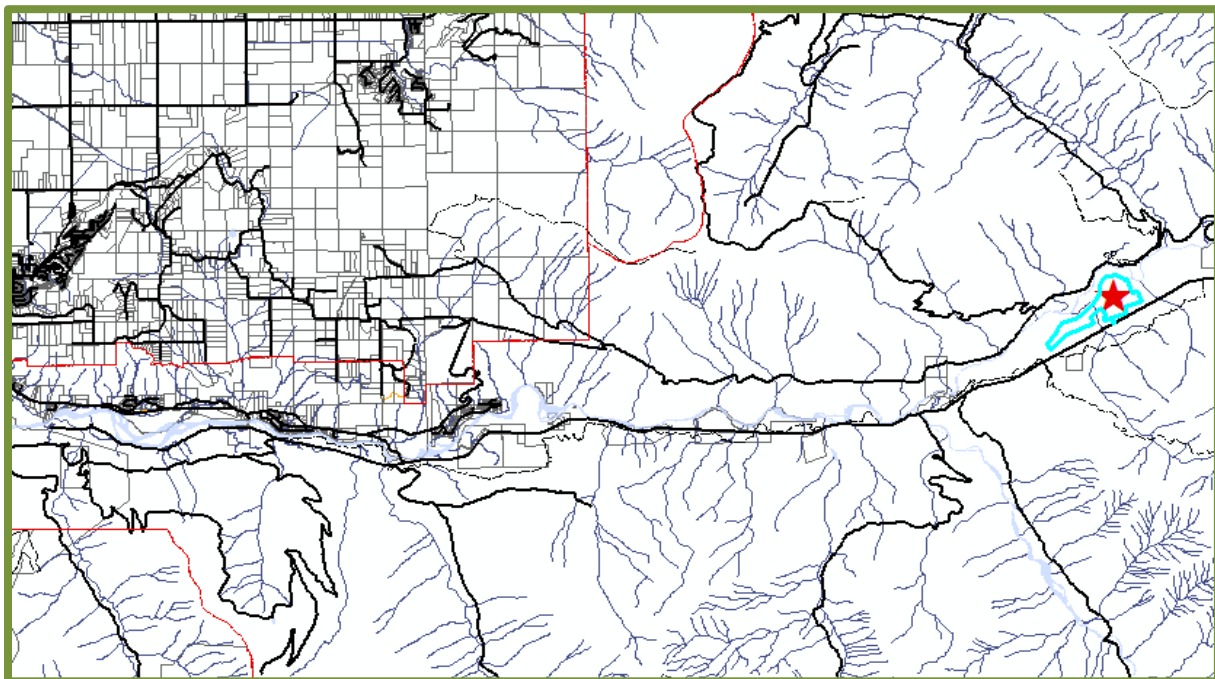
PROPERTY DETAILS

Electoral Area	E		
Address	56555 Chilliwack Lake Road		
PID	012-626-953		
Folio	733-09806.000		
Lot Size	66.7 hectares		
Owner	Larson Farms Inc. (Wilf Krickhan)	Agent:	Wilf Krickhan
Current Zoning	Limited Use (L-2)	Proposed Zoning:	No change
Current OCP	Agricultural (AG)	Proposed OCP:	No change
Current Use	Residential & forage crop	Proposed Use:	Bulk Water Filling Station
Agricultural Land Reserve:	Yes		

ADJACENT ZONING & LAND USES

North	^	Chilliwack River & vacant crown land
East	>	Vacant crown land
West	<	Chilliwack Lake Road
South	v	Vacant crown land

NEIGHBOURHOOD MAP



PROPERTY MAP (2004 photo)



The proposed development involves supplementing the existing well and on-site roads with a fill station to facilitate the loading of bulk water into tanker trucks for shipment to market.

The applicant proposes to extract 180,000 m³ of groundwater per year which would require about 12 trucks per day over 250 days/ year. As a comparison, a 3 person household in British Columbia uses about 342m³ of water per year.¹ Accordingly, the applicant proposes to annually

Honey-Roses, Gill & Pareja. ¹ BC Municipal Water Survey 2016. March, 2016.

extract about same amount of water that 527 households would use. In 2016, there were 650 occupied private dwellings in Electoral Area "E". ²

Technical Reports

To support the application, the proponent has submitted:

- *Ground Water Supply Evaluation, Larson's Bench, Chilliwack BC* by Active Earth Engineering LTD, September 2018 and a report amendment dated January 7, 2019.
- *Agrologist Report, 56555 Chilliwack Valley Road, Chilliwack* by Dave Melnychuk, P. Ag. dated July 16, 2018.

The Ground Water Supply Evaluation report concludes that:

- The estimated future groundwater withdrawal rate at 180,000 m³/year represents:
 - 0.4% of the estimated annual volume of groundwater flowing across the site;
 - 0.04% of the mean annual discharge in the River above Slesse Creek; and,
 - 0.07% of low flow of the Chilliwack River.
- Groundwater pumping at recommended flow rate is not expected to have any significant impact on aquifer water levels or Chilliwack River water levels and existing diversion licenses

Both reports are included here as Appendix 2.

Public Information Meeting

The applicant held a public information meeting on February 21, 2018 at the Chilliwack Fish & Game Club. The purpose of the meeting was to present the proposed development to the community and receive feedback from the public. About 100 people attend. Meeting notes taken by FVRD staff are included as Appendix 3.

Other Approvals Required

If the proposed development proceeds, it would require: 1) approval of the Non-Farm Use by the Agricultural Land Commission; and, 2) issuance of a Groundwater License issued by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development under the Water Sustainability Act.

DISCUSSION

² Statistics Canada. Census Profile, 2016 Census, Fraser Valley E, Regional district electoral area [Census subdivision], British Columbia and Fraser Valley, Regional District [Census division, British Columbia.

Land Use

The subject property is designated in the Official Community Plan for Electoral Area "E" Bylaw No. 1115, 2011 as Agricultural (AG) in keeping with its location within the ALR. The OCP generally supports farming and associated uses within the Agricultural designation.

The Zoning Bylaw for Electoral Area "E" Bylaw No. 66 zones the property as Limited Use (L-1). The extraction of raw materials – defined as the pulling out or drawing out of primary forest, mineral, and other natural resource materials on a lot - is permitted in the L-1 zone. The extraction of groundwater, and a truck filling station to facilitate shipment of the water, fall under the "extraction of raw materials" permitted in the L-1 zone.

Official Community Plan Policies

The zoning bylaw, adopted in 1976, predates the development of a bulk water and water bottling in the region. Although water is a raw material, the definition of "extraction" in the zoning bylaw mentions forest and mineral resources, but not water. While the zoning bylaw seems to predate a considered position on bulk water extraction, the official community plan (OCP) presents explicit policies about it.

Section 13.3 of the OCP directly addresses water extraction. Policy 13.3.3 states that, "applications for commercial large volume extraction generally will not be supported by the Regional Board except in cases where a comprehensive water study was been undertaken and demonstrates:

- a. existing and domestic uses will not be negatively impacted;
- b. local ecosystems and habitat will not be impacted by the reduced water flows and volume;
- c. alternative strategies which consider instances of water scarcity;
- d. consultation will be undertaken with the community; and,
- e. water quality and quantity will not be negatively impacted.

The plan also include relevant policies on groundwater in Section 12.1 which state:

- 12.1.2 *Activities or developments that may result in potentially significant inputs to groundwater or significant groundwater withdraws, or which could otherwise negatively affect the groundwater system, will require hydrological assessment to identify and mitigate impacts.*
- 12.1.3 *The Regional District will participate in efforts of senior governments, community groups and industry representatives to collect data and develop strategies to protect groundwater for the long term.*

Public Concerns

During the February 21, 2019 information meeting, about 40 residents spoke in opposition to the proposed bulk water filling station. Since then, FVRD has received over 40 written submissions also opposed.³ Concerns generally relate to:

- Potential impacts to the Chilliwack River Valley aquifer and surface flows and the need for further comprehensive technical studies to demonstrate that the proposed development will not have a negative impact
- The proposal does not address future low flow conditions associated with climate change forecast in 2015 and 2017 studies by Northwest Hydraulic Consultants
- Cumulative effects of water extraction, for this and possible future proposals
- Concern that area domestic wells will be impacted, and/or face additional maintenance costs due to siltation or the need to drill deeper as water levels drop
- Lack of benefits to the Chilliwack River Valley while all residents face increased risks
- Need clear data and mapping. What are the volume numbers by area and season.
- Concern that this application will be a precedent for future water extraction proposals in the Chilliwack River Valley.
- Ambiguity in the business plan and details of the proposed operation
- Opposition to the commoditization of water and bottling water
- Lack of trust in the capacity of the Province to regulate and enforce the water licence if granted

Public submissions are included here in Appendix 4.

Recommendation

Policy 13.3.3 in the Official Community Plan for Electoral Area “E” states that applications for commercial large volume water extraction generally will not be supported by the Regional Board except in cases where a comprehensive water study was been undertaken and demonstrates:

- existing and domestic uses will not be negatively impacted;
- local ecosystems and habitat will not be impacted by the reduced water flows and volume;
- alternative strategies which consider instances of water scarcity;
- consultation will be undertaken with the community; and,
- water quality and quantity will not be negatively impacted.

The applicant has not provided a comprehensive water study that addresses water scarcity and the potential for reduced flows.

Sophisticated modeling reports commissioned by the City of Chilliwack and undertaken by Northwest Hydraulic Consultants in 2015 and 2017 estimate that, “by the middle of this

³ As of 6:00 PM March 3, 2019.

century, combined declines in snowmelt and glacier melt contributions may lower Chilliwack River minimum summer flows at Vedder Crossing by about 50 on the driest years.”⁴

Although staff advised the applicant to directly address the NHC reports, the ground water study submitted in support of the application does not address future low flow conditions associated with climate change. As a result, it does not demonstrate that the bulk water extraction will not negatively impact existing water users or the environment. No strategies were presented to address future changes in groundwater and surface water levels. Accordingly, the conditions required to gain the support of the FVRD Board for the proposed bulk water facility – as set out in OCP Policy 13.3.3 - have not be satisfied.

Staff recommend that the FVRD Board decline to forward the Non-farm Use application to the Agricultural Land Commission. If the Board does not forward the application to the ALC, the application cannot be approved by the Commission.

Options

As alternatives to the staff recommendation, the Board may wish to consider:

1. **Forwarding the Non-farm Use application to the ALC** for their consideration, in which case the following resolution would be appropriate:

THAT the FVRD Board forward to the Agricultural Land Commission the Non-Farm Use Application by Larson Farms Inc. for a bulk water filling station at 56555 Chilliwack Lake Road, Electoral Area “E”;

2. **Referring the application to staff** to work with the applicant to address issues identified at the public information meeting and in written submissions, in which case the following resolution would be appropriate:

THAT the FVRD Board refer the Agricultural Land Commission the Non-Farm Use Application by Larson Farms Inc. for a bulk water filling station at 56555 Chilliwack Lake Road, Electoral Area “E” to staff for further work with the applicant on issues identified the community.

COST

The applicant has paid the application fee of \$1,500. Of this, \$1,200 will be forwarded to the Agricultural Land Commission (ALC) and FVRD will retain \$300. Fees for Non-Farm Use applications, including the portion that may be retained by the local government, are set by the ALC.

⁴ Northwest Hydraulic Consultants. Vedder/Chilliwack River Glacial Flow Assessment. March 2017.
Northwest Hydraulic Consultants. Assessment of Potential Climate Change Impacts on Vedder River Low Flows. December 2015.

COMMENTS BY:

Margaret Thornton, Director of Planning & Development Reviewed and supported.

Mike Veenbaas, Director of Financial Services No further financial comments.

Paul Gipps, Chief Administrative Officer Not available for comment.